



Success Story

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SBA 504 Loan Helps Renovate 100-Room Hotel Near Augusta's Downtown Medical Center *--Facility Now Supports 25 Jobs in the City--*

If you drive past the Georgia Medical School and adjoining hospital in downtown Augusta, you might not think the U.S. Small Business Administration had much to do with the sprawling complex.

But think again. Adjacent to these medical facilities on Walton Way is the 100-room Comfort Inn Suites Hotel. The 22 year-old hotel underwent a \$3.8 million renovation a few years ago that was financed partially with an SBA 504 Economic Development Loan.

"The SBA was terrific to work with," said Peggy Berg, who, with her husband Randy, bought and renovated the hotel. "Our 504 Loan's fixed rate reduced our risk and the low down was another benefit that made it possible for us to buy the hotel."

Before Ms. Berg and her husband bought the hotel, the facility had a run down look, and was not an asset to the neighborhood. Today, however, the fully renovated hotel employs about 25 people (about double the number prior to the 504 Loan). And the facility has seen its revenues climb as its brightly decorated rooms are rented to the nearby medical community, families of hospital patients and other visitors to Augusta.

"We felt like this was a perfect 504 Loan," said Jay Forrester, Senior Vice President of Georgia Bank & Trust Company, the Augusta-based bank that provided nearly 50 percent of Berg's 504 Loan Package. Forrester noted that Berg's background, as a hotel consultant and former CPA, was a major factor in the loan being approved.

Randy Griffin is with Augusta-based CSRA Local Development Corporation, the SBA Certified Development Company that handled Berg's 504 Economic Development Loan. He agreed with Forrester that Berg's hotel project was an attractive deal. "Ms. Berg is obviously an expert on the hotel industry," said Griffin. "After we met with her, we were confident that the project would be workable."

Berg was required to put 20 percent down on the 504 Loan while the financing by CSRA came from funds raised through a 100 percent SBA guaranteed debenture.

Berg's Atlanta-based hotel consulting business is The Highland Group. Her company does market studies, valuations, lender services and other hotel development activities. A native of Rochester, N.Y., she has been involved with the hotel industry for some 26 years.

With a degree in Hospitality Management from Michigan State University, Berg is the past Chairman of the Georgia Hospitality and Travel Association as well as a founding member of the International Society of Hospitality Consultants.

Berg is also co-chairman of the American Hotel & Lodging Association's Council of Inns and Suites, and a member of the Advisory Board of the Georgia State University Cecil B. Day School of Hospitality.

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